GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:383
ANSWERED ON:09.08.2002
REFORMS IN PENSION SCHEME
RAGHUVANSH PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to bring reforms in various pension schemes;

(b) if so, whether the Government propose to constitute an empowered group to chalk out a plan that can bring all the pension schemes of the Government and private sector under one roof; and

(c) if so, the terms of reference of the empowered group?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS IN THE MINISTRY OF FINANCE (SHRI JASWANT SINGH)

(a) to (c) A Statement is placed on the Table of the House.

Statement referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No.383for 9th August, 2002 regarding Reforms in Pension Scheme.

(a) to (c) : The Employees` Pension Scheme 1995, framed under the provisions of the Employees` Provident Fund and Miscellaneous Provisions Act, 1952, is already applicable to factories and establishments specified under Schedule I of the said Act, employing 20 or more persons. This scheme is constantly monitored and fine-tuned for better implementation.

Pursuant to the Government`s announcement in the Budget 2001-02, the Insurance Regulatory and Development Authority (IRDA) has submitted a report, which provides a blue print for implementing pension reforms in the unorganized sector. The Government has initiated a review of this IRDA report through a Group of Ministers.

In so far as the government servants are concerned, the Government has already envisaged in the Budget 2001-02 a new pension scheme, based on defined contribution for new entrants. Pursuant to this announcement, a High Level Expert Group was constituted to provide a road map for introducing new pension system for new recruits entering government. The Expert Group has submitted its report to the Government. The Government has initiated a review of the report.

No such empowered group is being contemplated by the Government at present.